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TAGS: [PGOV](#) [PREL](#) [PINR](#) [ECON](#) [SNAR](#) [MASS](#) [AR](#)
SUBJECT: ARGENTINA: CABINET SHUFFLE UNLIKELY TO AUGUR MAJOR
CHANGES

REF: (A) BUENOS AIRES 0750 (B) BUENOS AIRES 0752 (C)
BUENOS AIRES 0776 (D) BUENOS AIRES 0742 (E)
BUENOS AIRES 0799

Classified By: CDA Tom Kelly for reasons 1.4 (b) & (d).

¶1. (C) Summary: Argentine President Cristina Fernandez de Kirchner (CFK) shuffled her Cabinet on July 7 a week after her party's defeat in a mid-term vote, but the personnel moves do not bring much new blood to the administration. CFK named feisty Minister of Justice Anibal Fernandez as her new Cabinet Chief in place of the less aggressive and less partisan Sergio Massa. As Chief of Cabinet, we expect Anibal Fernandez to continue serving as the Kirchners' unofficial spokesman and disciplinarian. The new Justice Minister, with responsibility for Argentina's law enforcement agencies, will be Julio Alak, currently head of Aerolineas Argentinas and former mayor of La Plata, the capital of Buenos Aires province. CFK also named Amado Boudou as her new Economy Minister and Diego Bossio as head of Social Security, but kept her most controversial sub-Cabinet member, Domestic Commerce Secretary Guillermo Moreno, reported septel. End Summary.

¶2. (C) A week after President Cristina Fernandez de Kirchner's (CFK) party was defeated in mid-term elections (ref A), the Casa Rosada announced on July 7 further changes to CFK's Cabinet. CFK named a new Health Minister on June 29 and a new Transportation Secretary on July 1 and said that no further Cabinet changes were imminent (refs B and C). Despite such assurances, rumors of major cabinet changes continued and culminated in the July 7 announcement that CFK was naming Minister of Justice, Security, and Human Rights Anibal Fernandez as her new Cabinet Chief, and that Julio Alak, chief executive of the national airline and former mayor of La Plata, had been tapped to replace him. Aerolineas Argentinas' new president will be Mariano Recalde, the son of Hector Recalde, a national Deputy and lawyer for Argentina's General Workers Confederation (CGT). CFK also named Amado Boudou as her new Economy Minister (septel) and Diego Bossio as head of Social Security, but kept the most controversial member of her economic team, Domestic Commerce Secretary Guillermo Moreno.

Anibal Fernandez Named New Cabinet Chief

¶3. (C) Local contacts say that Anibal Fernandez's appointment as Cabinet Chief is a reward for securing a Kirchner victory in his hometown of Quilmes, and a "punishment" for outgoing Chief Sergio Massa, who was unable to deliver his hometown of Tigre in the electoral race for Buenos Aires province.
(Note: Massa, 37, is smart, affable, and well-liked, with an

open, inclusive style that did not fit well with the Kirchners. Tensions between Massa and former President Nestor Kirchner were rumored to be high, and our sources suggested that Massa is unlikely to feel punished for securing his release from the Kirchner cabinet.) Fernandez, a close confidant of former President Nestor Kirchner, is an astute political operator who has been a powerful and openly partisan Minister of Justice. Despite public alarm over rising insecurity, he never acknowledged a rise in robberies and kidnappings and stopped making criminal statistics publicly available, arguing that insecurity is only "a sensation fed by the media." Contacts who work for the Cabinet Chief's government accountability and transparency unit have expressed concern that the GOA will become even less transparent under his watch.

¶4. (C) Fernandez is expected to assume a different role as Chief of Staff. He is pragmatic, as evidenced by the positive cooperation that Embassy elements have enjoyed with him and the Ministry of Justice's law enforcement agencies during his tenure. Indeed, he has been the most consistently accessible Cabinet member to this Mission in CFK's cabinet. He is also a micro-manager, with final say over even routine matters in his portfolio. Fernandez typically comes to meetings with U.S. counterparts unaccompanied, jotting down a few notes. His unwillingness to openly delegate responsibilities has probably contributed to delays in follow-up, and it will be interesting to see how this style works (or not) in the Casa Rosada.

¶5. (SBU) Fernandez has long been one of the Kirchners' most visible spokesmen, highly sought after by the media for his pungent sound bites. It is clear he will retain that role. He told the press July 8 that there was a need for change in the government's policies, saying "If there was no need for change, we would have won the elections...Still, there are many positive things that we need to strengthen and continue working on." He also defended the First Couple, asserting that "Nestor and Cristina are the only ones who interpret and do what (former President) Peron said." Fernandez also sought to resurrect the First Couple's aspirations to hold on to the Presidency in 2011, by saying that he had no doubt that "a man or a woman from our political circle would emerge as President (in 2011), among them Nestor and Cristina."

New Justice Minister

¶6. (C) New Justice Minister Julio Alak comes to the post thanks to his close ties to trusted Kirchner official, Planning Minister Julio De Vido, who had earlier recommended him to serve on the Board of Directors for Aerolineas Argentinas (AA). Subsequently, he became General Manager and oversaw the sale of the company from Spanish-owned Marsans to the Argentine government. Prior to that, Alak was mayor of Buenos Aires province's capital city, La Plata, for 16 years from 1991 to 2007. Press and Mission contacts describe him as a pragmatic Peronist leader, noting his ability to adapt to different federal administrations and ideologies, which has reportedly helped him gain the trust of leaders as different as former President Carlos Menem and Nestor Kirchner.

Political Class Underwhelmed by Shuffle

¶7. (C) As noted ref D before the elections, CFK was expected to make some cabinet changes after June 28. The cabinet changes announced July 7 fell short of expectations that the Kirchners would breathe new life into the administration by tapping new sources for appointments. There was speculation that the Kirchners might seek to bolster their political support by seeking the input of key governors or recruiting distinguished leaders from the private sector or academia. Some local observers view the announced changes as simple window-dressing, or even a retrenchment by the Kirchner faithful, that will not lead to meaningful policy change.

Noted political analyst Rosendo Fraga said "a renovation of the cabinet that included removing some of the most criticized figures was expected. This implies the Kirchners have decided to stay the course." Joaquin Morales Sola, lead editorialist for "La Nacion", asserted in his July 8 column that the Kirchners do not seem to get that their loss in the June 28 mid-term elections was a clear rejection of their insular governing style. He, too, believes that the Cabinet shuffle means the Kirchners "will stay the course with the same men at the helm, further isolating themselves from political reality."

Opposition Reaction: Not the Change Argentina Needs

18. (SBU) Opposition politicians called the changes superficial and not indicative of a substantive change in policy. Radical Party President Gerardo Morales said the changes suggest that "pure kirchnerism remains intact because they did not remove (controversial Domestic Commerce Secretary Guillermo) Moreno." Republican Proposal (PRO) national deputy Federico Pinedo reflected that "this grand new change really is not change." Civic Coalition bloc leader Adrian Perez agreed, noting "the President is maintaining the same policies that created the public's rejection on June 28." Deputy-elect Margarita Stolbizer of the Civic Coalition-Radical alliance sees the changes as just moving around chess pieces while Buenos Aires City Cabinet Horacio Rodriguez Larreta remarked that a "change in politics is needed more than a change in names" such as improving relations with the farm sector and not manipulating numbers by Argentina's national statistical agency, INDEC. Left-leaning film director and deputy-elect Pino Solanas quipped: "If the President was trying to reconcile relations with society, this is a bad joke." Vice President Julio Cobos, with whom the Kirchners maintain chilly relations, held out the hope that the new officials would be successful and achieve necessary changes.

Comment

19. (C) A fierce Kirchner loyalist, Anibal Fernandez has been for us the most accessible and forward-leaning member of CFK's Cabinet, welcoming USG law enforcement training and cooperation. We think this reflects his deep-seated pragmatism rather than any abiding affinity for the United States. Our positive working relationship with Fernandez, for example, did not stop him from criticizing the United States to protect the Kirchners, as he did during the 2007-08 suitcase scandal. In fact, he has long served as the Kirchners' unofficial spokesperson and attack dog. As head of the internal security forces, including the federal police, Frontier Guard, Coast Guard, and special airport police, Fernandez quickly imposed a strict vertical hierarchy on the law enforcement agencies, discouraging information sharing and mandating that security chiefs report directly to him.

110. (C) As Chief of Cabinet, we expect Fernandez to continue serving as a leading spokesman and disciplinarian for the administration. In previous conversations with former Cabinet Chief Alberto Fernandez, he noted that one of the most important aspects of his job was to serve as mediator between NK and CFK. Only time will tell if this Fernandez can do the same.

KELLY